LNF & IHCIF Calculations Illustration

- NETT LAKE in Bemidji area -

Given Data

- 1,115 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 32% = % Expenditures on purchased services, 68% = % expenditures in-house
- 104.8% = Cost index for purchasing health care in this geographic area
- 134.2% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- $1,003 per person for purchased services = 32% * 104.8% * $2,980
- $2,716 per person for in-house services = 68% * 134.2% * $2,980
- $3,718 per person total = $1,003 (purchase) + $2,716 (in-house)
- **$3,938 per person total** adjusted for health status = $3,718 * 105.9%
- **$3,193 per person net cost** = $3,938 - $745 Other resources (M&M&PI)

Existing Expenditures (for 1,115 users excluding wrap-around and collections)

- $1,536 per person = local IHS allowance (excludes $ for wrap-around)
- $94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,684 per person for OU users** = $1,536 + $94 + $54

LNF Calculation

- **42.8% Gross LNF** = $1,684 (expenditures) / $3,938 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **52.7% Net LNF** = $1,684 / $3,193 net cost ($3,938 - $745 other)

IHCIF Allocation

- $258,156 = $ to raise LNF% from 52.7% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$9,004 Allocation** = $258,156 needed for 60% * 3.488% IHCIF fraction

NETT LAKE Unmet Needs

- **$3,560,504 Net Total Need** = 1,115 users * $3,193 net cost
- **$1,682,358 Net Unmet Need** = (100% - 52.7% LNF) * 1,115 users * $3,193 net cost